



November 13, 2015

Mr. Keith Wallace, Program Manager
California Department of Water Resources
Division of Integrated Regional Water Management
Financial Assistance Branch
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Via email: Keith.Wallace@water.ca.gov

**Subject: Comments on Draft 2015 IRWM Implementation Grant Solicitation Funding
Recommendations for the Coachella Valley IRWM Region**

Dear Mr. Wallace,

The Coachella Valley Regional Water Management Group (CVRWMG) would like to express our appreciation to the California Department of Water Resources (DWR) for the opportunity to provide input on the draft funding recommendations for the 2015 Implementation Grant Solicitation for Proposition 84 IRWM Funding. We are pleased that DWR has recommended funding for our IRWM Region, as this money will be used to assist implementation of high-priority projects that will provide substantial benefits to the Coachella Valley IRWM Region and the State of California, and will have specific benefits to disadvantaged communities (DACs) and a Tribal Nation.

While we appreciate the work DWR has completed through the initial scoring phase and development of the draft funding recommendations, we have some concerns about two of the projects in our proposal that received lower scores. We also are seeking clarification about an item of concern in the Mojave IRWM Region's application. The information provided below is intended to clarify our concerns as well as support the merit and benefits of the projects included in our proposal. We believe that a better understanding of DWR's scoring approach will help us prepare future proposals. It may be that DWR feels that our concerns should be addressed and that it would be appropriate to amend the draft scoring recommendations. If not, we are happy to proceed under the draft recommendations. The information provided below is organized in accordance with DWR's Application Evaluation that is available online via the following link:

http://www.water.ca.gov/irwm/grants/docs/p84_implementation/p84_2015_imp_eval/Round2015_FinalReview_CVWD.pdf

Project 1: MSWD Water Supply Reliability Program

This project is a high-priority project in our Region that would improve water supply reliability for a DAC by removing hexavalent chromium from drinking water and implementing a water conservation pilot program to conserve local groundwater resources. The project would implement wellhead treatment technology to remove naturally-occurring hexavalent chromium from a drinking water supply for a DAC, and therefore would provide benefits in line with provisions of Assembly Bill 1249. Overall, detailed information for this project was provided commiserate with the other high-scoring projects in the proposal – it is unclear why this project received a lower score. Below are specific clarifications regarding the scoring for the *MSWD Water Supply Reliability Program*, which identifies areas in the application where information is available and why we are unclear about scoring for this project.

- Question #6: Does the applicant provide a description of the project that summarizes the major components and intended purpose of the project?
 - Page 2-7 of the application provides a project description that summarizes the major components and intended purpose of the *MSWD Water Supply Reliability Program*. Further, as required in the Proposal Solicitation Package (PSP) for the 2015 Implementation Solicitation, information on page 2-7 also includes anticipated physical benefits of the project, intended outcomes, and major physical components. The level of detailed provided within the project description is similar to the project description provided for Projects 2, 3, 4, 5, and 6 of our application, which received full points for this question.
- Question #8: Are the anticipated primary and secondary physical benefits of the project described and quantified with the units specified in Table 5?
 - Tables provided on Page 2-8 and 2-9 include the physical benefits of the *MSWD Water Supply Reliability Program*, which are described and quantified in the units of acre-feet per year (AFY) and milligrams per liter (mg/L) per specifications provided in Table 5 of the PSP.
 - Due to the potential complexity of this project, on June 3rd 2015 we sent an email to Keith Wallace asking if the benefits of water supply (in AFY) of water supply produced (treated for use) through the project and water quality (in mg/L) of water improved by the project would be sufficient to receive points for Question #8. On June 4th 2015 we received an email back from Mr. Wallace stating that both benefits would be acceptable per DWR's scoring requirements.
- Question #10: If applicable, does the applicant describe the potential adverse impacts of the project?
 - Page 2-19 of the application provides information about the potential adverse impacts of the *MSWD Water Supply Reliability Program*. The information provided for the project is project-specific, and outlines potential impacts based on permitting and environmental documentation requirements for the project. The level of detail provided for this project is similar to the information regarding potential adverse impacts for Projects 2 and 3 of our application, which received full points for this question.

- Question #13: Is the proposed project performance monitoring plan expected to track progress towards meeting the claimed benefits?
 - Table 2-5 on page 2-21 of the application provides information about the project performance monitoring plan for the *MSWD Water Supply Reliability Program*. The monitoring plan is very specific, indicating the monitoring tools and targets that will be used to measure project-related success. As explained in the application, because the well that would be retrofitted as part of the project (Well 29) is already part of MSWD's water supply system, pumping reports and water quality data for the well will be readily accessible and available to submit to DWR to measure project performance.
- Question #14: Is the proposed project the least cost alternative? If not, does the applicant sufficiently explain why it was selected instead of the least cost alternative?
 - Table 2-6 on pages 2-21 and 2-22 of the application provides information about the cost effectiveness of the *MSWD Water Supply Reliability Program*. Information provided in this table uses detailed information from local documents regarding treatment for hexavalent chromium to explain why a weak base anion exchange was selected even though strong base anion exchange is potentially more cost effective. Furthermore, information presented for this project is similar in detail to information provided for Projects 2, 3, and 4 of the application, which scored full points for cost effectiveness.
- Question #15: Does the applicant discuss the necessary tasks in the Work Plan that will result in a completed project?
 - Pages 3-3 through 3-7 of the application includes specific work plan details for the *MSWD Water Supply Reliability Program*. The information is organized by the row and task categories recommended by DWR in the PSP, and is provided for both components of the project within the 5-page limit established in the PSP. The level of detailed provided within the work plan is similar to and includes the same formatting and layout as the work plans for Projects 2, 3, 5, and 6 of our application, which received full points for work plan details.
- Question #19: Are the costs presented in the Budget reasonable for the project type and the current stage of the project?
 - Pages 4-5 through 4-7 of the application includes specific budget details for the *MSWD Water Supply Reliability Program*. As cited in the budget, information provided is based upon consultant and vendor estimates obtained specifically for the project. In addition, the format and level of detail for the budget are equivalent to those provided for Projects 2, 3, 5, and 6 of our application, which received full points for this question.

Project 4: DAC Septic Rehabilitation and Demand Reduction Project

This project is a high-priority project in our Region that was developed as a direct result of the *Disadvantaged Community Outreach Demonstration Program*, for which our Region received grant funding from DWR to implement. The project would provide a low-cost solution for addressing expensive, critical issues associated with septic system failures that directly impact DACs. This project would provide direct benefits associated with public health and surface water quality, and would also be an innovative cost-saving solution to address septic system issues in

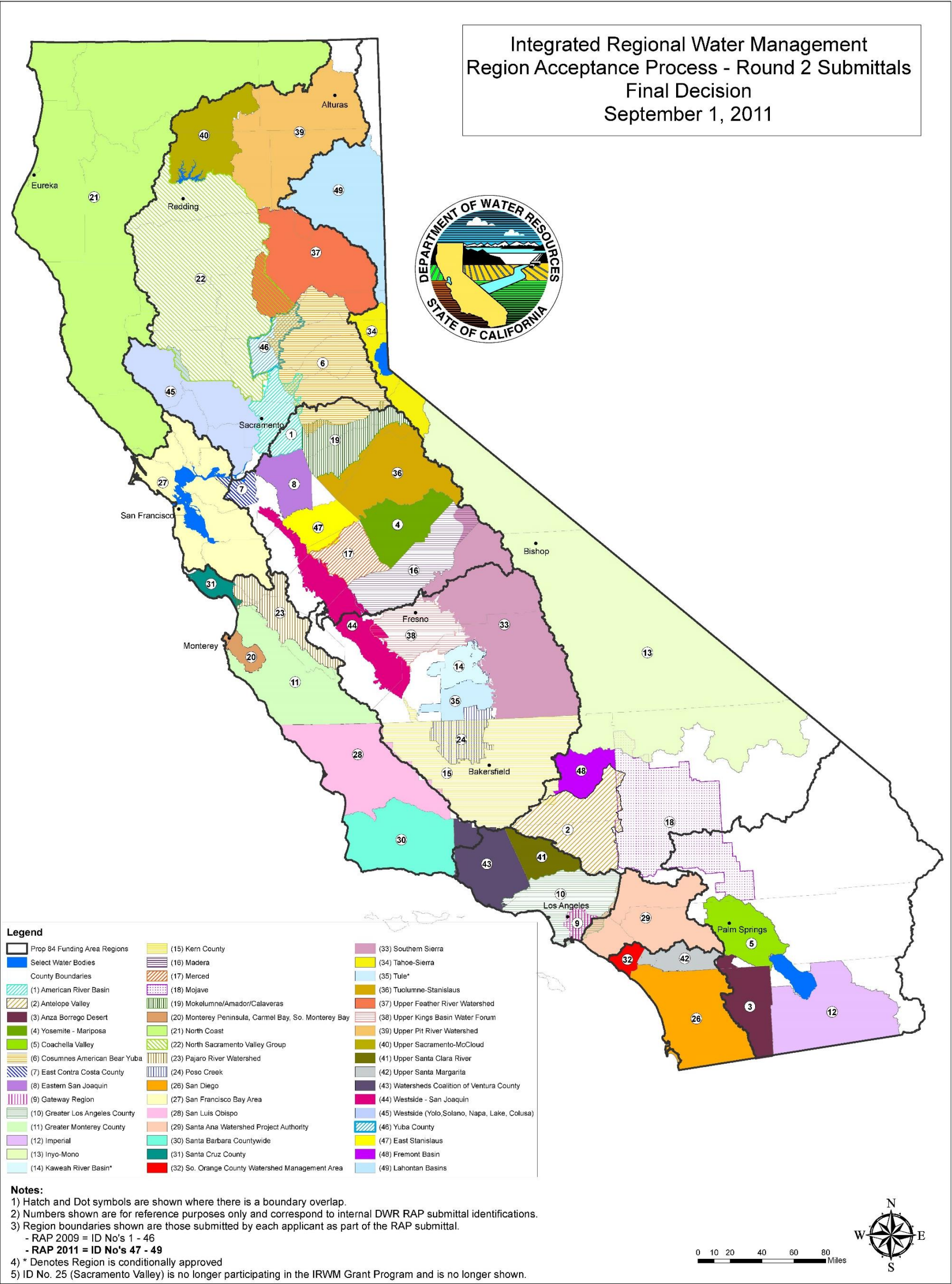
portions of the Coachella Valley that cannot feasibly connect to the municipal sewer system. Furthermore, the project is an integrated, multi-benefit project that would allow for beneficial reuse of greywater that otherwise presents a nuisance in terms of septic system overloading. This regional rebate program provided equivalent detail and structure as that provided for Projects 2 and 3 – it is unclear why this project scored so low. Below are specific clarifications regarding the scoring for the *DAC Septic Rehabilitation and Demand Reduction Project*, which identifies areas in the application where information is available and why we are unclear about scoring for this project

- Question #7: Is there a map that shows the location of the project and the areas and water resources affected by the project?
 - Figure 2-14 on Page 2-68 of the application provides a project map of the *DAC Septic Rehabilitation and Demand Reduction Project*. As required in the PSP, the figure includes the location of the project, the areas affected by the project, and the water resources affected by the project. Consistent with project maps provided for Projects 2 and 3, which received full points for project maps, the *DAC Septic Rehabilitation and Demand Reduction Project* is a rebate program that could potentially be implemented throughout areas mapped as DAC within the Region. As such, a specific location where the rebates would be distributed and septic systems that would be rehabilitated is not known at this time or shown on Figure 2-14.
- Question #9: Does the technical analysis support the claimed benefits?
 - Per requirements in the PSP, the technical analysis includes: an explanation of the project need, an explanation of without project conditions, and a description of how benefits were derived. The technical analysis provided for the *DAC Septic Rehabilitation and Demand Reduction Project* is in equivalent detail and follows the same analysis structure as the technical analysis for Projects 1, 2, 3, 5, and 6, which received full points for this criterion.
- Question #10: If applicable, does the applicant describe the potential adverse impacts of the project?
 - Page 2-77 of the application provides information about the potential adverse impacts of the *DAC Septic Rehabilitation and Demand Reduction Project*. The information provided is project-specific, and outlines potential impacts based on permitting and environmental documentation requirements for the project. The level of detail provided for this project is similar to the information regarding potential adverse impacts for Projects 2 and 3 of our application, which received full points for this question.
- Question #13: Is the proposed project performance monitoring plan expected to track progress towards meeting the claimed benefits?
 - Table 2-19 on page 2-78 and page 2-79 of the application provides information about the project performance monitoring plan for the *DAC Septic Rehabilitation and Demand Reduction Project*. The monitoring plan includes equivalent details to monitoring proposed for Projects 2 and 3 of the application, which are also rebate programs that received full points for project performance monitoring plans. Specifically, the application states that for all rebate programs, monitoring will be

conducted by pre-and post-installation site reports that will be provided to DWR as grant deliverables.

- Question #15: Does the applicant discuss the necessary tasks in the Work Plan that will result in a completed project?
 - Pages 3-19 through 3-23 of the application includes specific work plan details for the *DAC Septic Rehabilitation and Demand Reduction Project*. The work plan layout, format, and approach, are equivalent to those for Projects 2 and 3 of the application, which are also rebate programs that scored full points for work plans. In addition, implementation details for septic system rehabilitation and greywater installation have additional details (see Task 12), which were derived from technical work completed for the *Disadvantaged Community Outreach Demonstration Program*.
- Question #17: If applicable, does the Work Plan include a listing of required permits and their status, and the appropriate environmental documentation for the proposed project?
 - Consistent with information provided for Project 2, which is also a rebate program that scored full points for work plan details, information provided for the *DAC Septic Rehabilitation and Demand Reduction Project* demonstrates that permitting and environmental documentation will not be required for the project, because it is a rebate program. Further, the work plan specifies that greywater installation must take place in accordance with Chapter 16A of the California Plumbing Code and septic system installation must be consistent with applicable onsite permits.
- Question #19: Are the costs presented in the Budget reasonable for the project type and the current stage of the project?
 - Pages 4-17 through 4-19 of the application includes specific budget details for the *DAC Septic Rehabilitation and Demand Reduction Project*. Costs are similar to those provided for Projects 2 and 3 that scored full points for budget details, and are based upon previous experience implementing rebate programs throughout the Coachella Valley.
- Question #21: Does the schedule demonstrate that it is reasonable to expect that the project will start construction/implementation by April 1, 2016?
 - Pages 5-17 through 5-19 of the application includes specific schedule details for the *DAC Septic Rehabilitation and Demand Reduction Project*. As stated in the application, the schedule is based upon work experience in the Coachella Valley necessary to implement and administer rebate programs and complete reporting and invoicing for DWR. In addition, the schedule is similar to schedules provided for Projects 2 and 3 that received full points for schedule information, which are also rebate programs that will be implemented throughout the Coachella Valley.
- Question #23: Is there sufficient detail in the Work Plan to demonstrate the proposed schedule can be met?
 - As indicated above for Question #21, the schedule includes supporting information that describes the schedule was derived from past experience completing rebate programs. Further, the project schedule for the *DAC Septic Rehabilitation and Demand Reduction Project* is equivalent to the schedules for Projects 2 and 3, which are also rebate programs that scored full points for work plan details.

Figure 1: IRWM Regions in the Colorado River Funding Area



Source:
http://www.water.ca.gov/irwm/grants/docs/Archives/Prop84FirstRAPCycle/RAP%20Documents/irwm_e_48_regions_rap2011_FINAL_Decision_09012011.pdf

Disbursement of Grant Funding in the Colorado River Funding Area

Information available from DWR for the Region Acceptance Process (RAP), as well as mapping conducted for the Coachella Valley IRWM Plan, shows that there are four IRWM regions in the Colorado River Funding Area: Anza Borrego Desert, Coachella Valley, Mojave, and Imperial. The Mojave IRWM Region is located in two Funding Areas, Lahontan and Colorado River (see **Figure 1** above from DWR's RAP process).

As shown in **Figure 1**, only the southern portion of the Mojave IRWM Region (approximately 25% of the region) is located within the Colorado River Funding Area; therefore, only projects located within the southern portion of this region are eligible for IRWM grant funding from the Colorado River Funding Area. A review of the Mojave IRWM Region's application for the 2015 Implementation Grant Solicitation indicates that three projects were submitted for consideration:

1. Mojave Region CII Turf Phase II Removal Program, which has overall potential span and benefit area that covers the entire Mojave IRWM Region, including areas in both the Lahontan and Colorado River Funding Areas (refer to Figure 2 in Attachment 2 of the Mojave IRWM application).
2. Hi-Desert Sewer Collection System Phase 1A, which is located entirely within the Colorado River Funding Area.
3. Leak Detection Services Mojave Region 100% DAC Small Water Systems Phase 1, which includes 23 different site locations, half of which appear to be located within the Lahontan Funding Area, and the other half which appear to be located in the Colorado River Funding Area (refer to Figure 4 in Attachment 2 of the Mojave IRWM application).

The Proposition 84 bond language stipulates that grant funds for each Funding Area must be allocated to projects within the applicable Funding Area. In their application, the Mojave IRWM Region asked for 100% of the grant funding to be allocated from the Colorado River Funding Area (refer to Table 4-4 on Page 4-8 of the Mojave IRWM application) despite the fact that two of the three projects are located within both the Lahontan and Colorado River Funding Areas. It appears that DWR has rectified this issue by allocating a portion of funding to the Mojave IRWM Region from the Lahontan Funding Area and a portion from the Colorado River Funding Area. Given the potential for overlap funding and funding restrictions per the Proposition 84 bond, we ask DWR to establish a tracking system to ensure that grant funding from the Colorado River Funding Area is not allocated to projects in the Mojave IRWM Region that are located within the Lahontan Funding Area.

Furthermore, Attachment 2 of the Mojave IRWM Region application misconstrues the project benefit area of Project 1 and Project 3 by showing that benefits will accrue across the entire region. Because the grant funds were requested from the Colorado River Funding Area alone, the benefits claimed in the application are not accurate, and should have been represented as occurring within the Colorado River Funding Area alone. As such, it is unclear to us why the Mojave IRWM application scored full points for project-related benefits, technical analyses, and project performance monitoring (scoring criteria questions 8, 9, and 13) when the benefit area of the projects was geographically inaccurate.

Population Served by Grant Awards

An analysis of the population within each IRWM region that is included in the Colorado River Funding Area shows the following:

1. Coachella Valley comprises 62% of Funding Area population
2. Mojave comprises 12% of Funding Area population
3. Imperial comprises 24% of Funding Area population
4. Anza Borrego Desert comprises 3% of Funding Area population

Although population served has not been a consideration or scoring criterion in the past, the CVRWMG would like to request that moving forward for Proposition 1 funding disbursements, DWR consider the population that benefits from grant awards. Distributing State water bond dollars to regions based on population and associated needs will help to effectively resolve drinking water quality and quantity issues for the State's residents.

Conclusion

Again, the CVRWMG thanks DWR for the opportunity to provide input on the draft funding recommendations for the 2015 Implementation Grant Solicitation. Our region appreciates DWR's solicitation of our input. As we have done in past rounds, we would like to request a phone call with DWR reviewers to walk through the scoring matrix so we can clarify the scoring misunderstandings outlined above, which will help us to improve our understanding of DWR's scoring process for future solicitations. The CVRWMG looks forward to the release of the final grant awards and implementation of our high-priority projects.

Sincerely,

A handwritten signature in black ink that reads "Patti Reyes". The signature is written in a cursive, flowing style.

Patti Reyes on behalf of the CVRWMG
Planning and Special Programs Manager
Coachella Valley Water District